

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Chuan Holdings Limited

川 控 股 有 限 公 司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1420)

VOLUNTARY ANNOUNCEMENT CLARIFICATION IN RELATION TO THE SHAREHOLDINGS IN THE COMPANY

This announcement is made by Chuan Holdings Limited (the “**Company**”) on a voluntary basis.

References are made to (i) the circular of the Company dated 23 April 2020 (the “**2020 General Mandates**”) relating to, among others, proposals for general mandates to issue shares and to buy back shares; (ii) the interim report of the Company for the six months ended 30 June 2020 (the “**2020 Interim Report**”); (iii) the annual report of the Company for the year ended 31 December 2020 (the “**2020 Annual Report**”); (iv) the circular of the Company dated 22 April 2021 (the “**2021 General Mandates**”) relating to, among others, proposals for general mandates to issue shares and to buy back shares; (v) the circular of the Company dated 25 June 2021 (the “**Major Transaction Circular**”) relating to major transaction in relation to formation of joint venture; (vi) the interim report of the Company for the six months ended 30 June 2021 (the “**2021 Interim Report**”); (vii) the announcement of the Company dated 14 December 2021 (the “**CCTs Announcement**”) relating to the continuing connected transactions of the Company; (viii) the circular of the Company dated 11 January 2022 (the “**CCT Circular**”) relating to continuing connected transaction in relation to the supplemental agreement; (ix) the announcement of the Company dated 26 January 2022 (the “**2022 EGM Announcement**”) relating to poll results of the extraordinary general meeting held on 26 January 2022; (x) the annual report of the Company for the year ended 31 December 2021 (the “**2021 Annual report**”); and (xi) the circular of the Company dated 26 April 2022 (the “**2022 General Mandates**”) relating to, among others, proposals for general mandates to buy back shares and to issue shares and re-election and appointment of directors (collectively, the “**Documents**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Documents.

* *For identification purposes only*

BACKGROUND

The board (the “**Board**”) of directors (the “**Directors**”) of the Company recently received a notice (the “**Notice**”) from Mr. Lim Kui Teng (“**Mr. Lim**”), an executive Director and a controlling shareholder (the “**Shareholder**”) of the Company, that he had failed to notify the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in accordance with Part XV of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) (the “**SFO**”) of his six purchases (the “**Subject Shares Purchases**”) of the ordinary shares (the “**Shares**”) of HK\$0.01 each in the share capital of the Company on various occasions in January 2020 and November 2020 respectively (the “**Incident**”). Also, Ms. Yee Say Lee (“**Ms. Yee**”), who is the spouse of Mr. Lim and is deemed to be interested in the Shares in which Mr. Lim is interested under the SFO, had not notified the Company and the Stock Exchange of her interests in the Shares with regard to the Subject Shares Purchases.

Following the Notice, Mr. Phang Yew Kiat (“**Mr. Phang**”), chairman of the Board and a non-executive Director, set up a review task force (the “**Review Task Force**”) which consists of Mr. Phang, Mr. Xu Funglei, chairman of the remuneration committee of the Board and an independent non-executive Director and Messrs. Chow & Ho, Solicitors, the legal advisor appointed by the Company, for review/investigation of the Incident.

KEY FINDINGS OF THE REVIEW TASK FORCE

The key findings of the Review Task Force are set out as follows:

1. The Subject Shares Purchases were made by Mr. Lim in the capacity as beneficial owner, details of which are as follows:

Date of the Subject Shares Purchases	No. of Shares purchased	Approximate percentage of interest in the issued share capital of the Company (Note)
16 January 2020	1,004,000	0.10%
4 November 2020	360,000	0.03%
5 November 2020	1,000,000	0.10%
6 November 2020	1,000,000	0.10%

Date of the Subject Shares Purchases	No. of Shares purchased	Approximate percentage of interest in the issued share capital of the Company (Note)
9 November 2020	772,000	0.07%
10 November 2020	200,000	0.02%
Total:	4,336,000 (the “ Subject Shares ”)	0.42%

Note: The total number of issued Shares is 1,036,456,000.

2. The Company and Mr. Lim, together with his team of personal assistants (the “**PA Team**”), did maintain standard procedures in relation to the reporting and disclosure of the Director’s interests in the Shares. Prior to the Incident, those standard procedures were duly complied with by the Company, Mr. Lim and the PA Team. However, for the Subject Shares Purchases, there was no follow-up action for confirmation of completion of the transaction or for reporting of the same by the PA Team to the Company.
3. The Incident was not an intentional act, but administrative mistakes occasioned by:
 - (a) frequent personnel changes of the PA Team at the material time;
 - (b) lack of effective reporting and hand-over arrangement within the PA Team and between the PA Team and the Company; and
 - (c) lack of counter-checking system on the record of Mr. Lim’s Shares interests.
4. There was no sign of the Company management’s involvement with the Incident.

5. Save for the Subject Shares Purchases, Mr. Lim confirmed that he (i) had not dealt with any Shares without notifying the Company and the Stock Exchange of the same; (ii) had not purchased or sold any Shares since the last Subject Shares Purchase on 10 November 2020; and (iii) had been at all material times, deemed to be interested in 529,125,000 Shares (i.e. approximately 51.05% in the issued share capital of the Company) (the “**Brewster Global Shares**”) directly held by Brewster Global Holdings Limited (“**Brewster Global**”), a company incorporated in the British Virgin Islands with limited liability which is owned as to 100% by Mr. Lim and is a controlling Shareholder, by virtue of the SFO. Accordingly, the total number of Shares in which Mr. Lim had interests (including the Brewster Global Shares) had at all times maintained in not less than 51% of the total number of issued Shares since the Shares were listed on the Main Board of the Stock Exchange in 2016.
6. The public trading records of the Company showed no unusual price or trading volume movements of the Shares for the relevant periods of the Subject Shares Purchases.
7. The size of the Subject Shares was relatively small to the total number of issued Shares and the purchase prices of the Subject Shares were within the normal Share prices at the material time.
8. The Subject Shares Purchases did not give rise to any mandatory offer or voluntary offer under The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong. The number of Shares held by the public had at all times maintained in not less than 25% of the total number of issued Shares.
9. As recommended by the Review Task Force, the following rectification steps have been initiated:
 - (a) Mr. Lim and Ms. Yee submitted the relevant notices in relation to the Subject Shares Purchases with the Company and the Stock Exchange;
 - (b) Enhanced notification procedures and new checking procedures (the “**Procedures**”) have been setup to support the disclosure of Mr. Lim’s Shares transaction (if any);

- (c) All parties involved have convened a meeting to fully understand the Procedures;
and
- (d) All parties involved have signed off against their responsibilities in the Procedures.

IMPACT OF THE INCIDENT

Due to the Incident, information relevant to the interests of both Mr. Lim and Ms. Yee in the Shares as disclosed in the Documents, which were published during the period since the first Subject Shares Purchase on 16 January 2020 and until the date of this announcement, were inaccurate, in particular, that (i) the total number of Shares held by Mr. Lim as beneficial owner and the total number of Shares in which Mr. Lim had interests (including the Brewster Global Shares) were 17,044,000 Shares (i.e. approximately 1.65% in the issued share capital of the Company) and 546,169,000 Shares (i.e. approximately 52.70% in the issued share capital of the Company) respectively; (ii) the Company was owned as to 52.70% by Mr. Lim; and (iii) the total number of Shares in which Ms. Yee was deemed to have interests was 546,169,000 Shares (i.e. approximately 52.70% in the issued share capital of the Company).

Based on the key findings of the Review Task Force, the Company would like to clarify that the total number of Shares held by Mr. Lim as beneficial owner and the total number of Shares in which Mr. Lim had interests (including the Brewster Global Shares) immediately after completion of each of the Subject Shares Purchases were as follows:

Date of the Subject Shares Purchases	Total number of Shares held by Mr. Lim as beneficial owner and approximate percentage of interest in the issued share capital of the Company	Total number of Shares in which Mr. Lim had interests (including the Brewster Global Shares) and approximate percentage of interest in the issued share capital of the Company (Note)
16 January 2020	18,048,000 (1.74%)	547,173,000 (52.79%)
4 November 2020	18,408,000 (1.78%)	547,533,000 (52.83%)
5 November 2020	19,408,000 (1.87%)	548,533,000 (52.92%)
6 November 2020	20,408,000 (1.97%)	549,533,000 (53.02%)
9 November 2020	21,180,000 (2.04%)	550,305,000 (53.09%)
10 November 2020	21,380,000 (2.06%)	550,505,000 (53.11%)

Note: Ms. Yee is deemed to be interested in the Shares in which Mr. Lim is interested under the SFO.

Accordingly, information as contained in the Documents relevant to the interests of Mr. Lim and Ms. Yee in the Shares, which is affected by the Incident, should be amended as follows (with the changes duly underlined):

1. In the first paragraph on page 14 of the 2020 General Mandates:

“.....Meanwhile, Mr. Lim also had direct personal interests in 18,048,000 Shares of the Company, representing approximately 1.74% of the total issued share capital of the Company. Therefore, Mr. Lim is holding in total 547,173,000 Shares through Brewster Global and in his personal capacity, representing approximately 52.79% of the issued share capital of the Company. In the event the Directors exercise in full the power to buy-back Shares under the Buy-back Mandate, then (if the present shareholdings remains the same) the attributable interests of Core Connected Person would be increased to approximately 56.72% and the attributable interests of Mr. Lim would be increased to approximately 58.66% of the issued share capital of the Company.....”

2. For the 2020 Interim Report:

- (i) In the table of “Aggregate long positions (L) in the shares and underlying shares of the Company” under the section headed “DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN EQUITY OR DEBT SECURITIES” on page 33 thereof:

Name of Director/ Chief Executive	Nature of interest and capacity	Number of shares of the Company	Total shares of the Company	Approximate percentage of interest in the issued share capital of the Company as at 30 June 2020
Mr. Lim Kui Teng	Interest of controlled corporation	529,125,000(L)	<u>547,173,000</u> (L)	<u>52.79%</u>
	Beneficial owner	<u>18,048,000</u> (L)		

- (ii) In the table of “Aggregate long positions (L) in the shares and underlying shares of the Company” under the section headed “SUBSTANTIAL SHAREHOLDERS’ INTEREST IN THE SECURITIES OF THE COMPANY” on page 36 thereof:

Name of shareholder(s)	Nature of interest and capacity	Number of shares of the Company	Approximate percentage of interest in the issued share capital of the Company as at 30 June 2020
Ms. Yee Say Lee	Interest of spouse	<u>547,173,000</u> (L)	<u>52.79%</u>

- (iii) Under note 2 to the two tables as mentioned in sub-paragraphs 2(i) and 2(ii) above:

“Mr. Alan Lim increased his shareholding by 4,088,000 shares to 18,048,000 shares in his personal capacity during the period, representing approximately 0.39% of the issued share capital of the Company. As a result, his total interest has increased to 547,173,000 shares, representing approximately 52.79% of the issued share capital of the Company.”

3. For the 2020 Annual Report:

- (i) In the table of “Aggregate long positions in the Shares and underlying Shares of the Company” under the section headed “DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN EQUITY OR DEBT SECURITIES” on page 57 thereof:

Name of Director/ Chief Executive	Nature of interest and capacity	Number of shares of the Company	Total shares of the Company	Approximate percentage of interest in the issued share capital of the Company as at 31 December 2020
Mr. Lim Kui Teng	Interest of controlled corporation	529,125,000 (L)	<u>550,505,000</u> (L)	<u>53.11%</u>
	Personal interest	<u>21,380,000</u> (L)		

- (ii) In the table of “Aggregate long positions (L) in the shares and underlying shares of the Company” under the section headed “SUBSTANTIAL SHAREHOLDERS’ INTEREST IN THE SECURITIES OF THE COMPANY” on pages 61 thereof:

Name of shareholder(s)	Nature of interest and capacity	Number of shares of the Company	Approximate percentage of interest in the issued share capital of the Company as at 31 December 2020
Ms. Yee Say Lee	Interest of spouse	<u>550,505,000</u> (L)	<u>53.11%</u>

- (iii) Under note 2 to the two tables as mentioned in sub-paragraphs 3(i) and 3(ii) above:

“During the Year, Mr. Alan Lim increased his shareholdings by 7,420,000 Shares of the Company in his personal capacity, representing approximately 0.72% of the issued share capital of the Company. As a result, Mr. Alan Lim’s interests have been increased to 550,505,000 Shares, representing approximately 53.11% of the issued share capital of the Company.”

4. In the first paragraph on page 15 of the 2021 General Mandates:

“.....Meanwhile, Mr. Lim also had direct personal interests in 21,380,000 Shares of the Company, representing approximately 2.06% of the total issued share capital of the Company. Therefore, Mr. Lim is holding in total 550,505,000 Shares through Brewster Global and in his personal capacity, representing approximately 53.11% of the issued share capital of the Company. In the event the Directors exercise in full the power to buy back Shares under the Buy-back Mandate, then (if the present shareholdings remains the same) the attributable interests of Brewster Global would be increased to approximately 56.72% and the attributable interests of Mr. Lim would be increased to approximately 59.02% of the issued share capital of the Company.....”

5. For the Major Transaction Circular:

- (i) In the table of “(i) Interest in Shares and underlying Shares” under the section headed “DISCLOSURE OF INTERESTS (a) Directors’ interest or short positions in shares and underlying shares of the Company and its associated corporations” on page II-1 thereof:

Name of Director	Capacity/nature of interest	Number of shares of the Company	Interest in underlying Shares of share options	Aggregate interests	Approximate percentage of interest
Mr. Lim Kui Teng	Beneficial owner	<u>21,380,000</u> (L)	–	<u>21,380,000</u> (L)	<u>2.06%</u>

- (ii) In the table of “Interest in ordinary Shares and underlying Shares” under the section headed “DISCLOSURE OF INTERESTS (b) Substantial Shareholder’s and other person’s interests and short positions in Shares and underlying Shares” on page II-3 thereof:

Name of substantial shareholder(s)	Capacity/nature of interest	Number of Shares	Approximate percentage of interest
Ms. Yee Say Lee	Interest of spouse	<u>550,505,000</u> (L)	<u>53.11%</u>

6. For the 2021 Interim Report:

- (i) In the table of “Aggregate long positions in the shares and underlying shares of the Company” under the section headed “DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN EQUITY OR DEBT SECURITIES” on page 34 thereof:

Name of Directors/ Chief Executive	Number of Shares held			Number of underlying Shares held under equity derivatives	Total	Approximate percentage of interest in the issued share capital of the Company as at 30 June 2021
	Personal interests (held as beneficial owner)	Corporate interests (interests of controlled corporation)	Sub-total			
Lim Kui Teng	<u>21,380,000</u>	529,125,000	<u>550,505,000</u>	–	<u>550,505,000</u>	<u>53.11%</u>

- (ii) In the table of “Aggregate long positions in the shares and underlying shares of the Company” under the section headed “SUBSTANTIAL SHAREHOLDERS’ INTEREST IN THE SECURITIES OF THE COMPANY” on page 38 thereof:

Name of substantial shareholder(s)	Nature of interest and capacity	Number of shares	Approximate percentage of interest in the issued share capital of the Company as at 30 June 2021
Ms. Yee Say Lee	Interest of spouse	<u>550,505,000</u>	<u>53.11%</u>

7. In the first paragraph on page 30 of the CCTs Announcement:

“As at the date of this announcement, the Company is owned as to 53.11% by Mr. Lim, the controlling Shareholder and the executive Director.....”

8. For the CCT Circular:

- (i) In the last paragraph on page 16 thereof:

“As at the Latest Practicable Date, the Company is owned as to 53.11% by Mr. Lim, the controlling Shareholder and the executive Director.....”

- (ii) In the first paragraph on page 18 thereof:

“As at the Latest Practicable Date, Mr. Lim, the controlling Shareholder and the executive Director, directly and indirectly through Brewster Global, which directly held 529,125,000 Shares (i.e. approximately 51.05% in the issued share capital of the Company), held an aggregate of 550,505,000 Shares (i.e. approximately 53.11% in the issued share capital of the Company.....”

- (iii) In the last paragraph on page 23 thereof:

“As at the Latest Practicable Date, the Company is owned as to 53.11% by Mr. Lim, the controlling Shareholder and the executive Director.....”

- (iv) In the table of “(i) Aggregate long positions in the Shares and the underlying Share” under the section headed “DISCLOSURE OF INTERESTS (a) Directors’ and chief executive of the Company” on page App-1 thereof:

Name of Directors/ Chief Executive	Number of Shares held			Number of underlying Shares held under equity derivatives	Total	Approximate percentage of interest in the issued share capital of the Company as at the Latest Practicable Date
	Personal interests (held as beneficial owner)	Corporate interests (interests of controlled corporation)	Sub-total			
Mr. Lim	<u>21,380,000</u>	529,125,000	<u>550,505,000</u>	–	<u>550,505,000</u>	<u>53.11%</u>

- (v) In the table of “Aggregate long positions in the Shares and the underlying Share” under the section headed “DISCLOSURE OF INTERESTS (b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders” on page App-3 thereof:

Name of substantial Shareholder(s)	Capacity/nature of interest	Number of Shares	Approximate percentage of interest in the issued share capital of the Company as at the Latest Practicable Date
Ms. Yee Say Lee	Interest of spouse	<u>550,505,000</u>	<u>53.11%</u>

9. In the last paragraph on page 1 of the 2022 EGM Announcement:

“As at the date of the EGM, Mr. Lim directly and indirectly through his wholly-owned company Brewster Global, which directly held 529,125,000 Shares (i.e. approximately 51.05% in the issued share capital of the Company), held an aggregate of 550,505,000 Shares (i.e. approximately 53.11% in the issued share capital of the Company). Mr. Lim and Brewster Global controlled or were entitled to exercise control over the voting right in respect of their Shares. As stated in the Circular, Mr. Lim was deemed to have a material interest in the Supplemental Agreement. As such, Mr. Lim and Brewster Global were required to and had abstained from voting on the Resolution at the EGM. Accordingly, the total number of the Shares held by the Shareholders entitled to attend and vote for or against the Resolution at the EGM was 485,951,000 Shares, representing approximately 46.89% in the issued share capital of the Company as at the date of the EGM.....”

10. For the 2021 Annual Report:

(i) In the table of “Aggregate Long Positions in the Shares and the Underlying Shares” under the section headed “DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES” on page 57 thereof:

Name of the Director/ Chief Executive	Number of Shares held			Number of underlying Shares held under equity derivatives	Total	Approximate percentage of interest in the issued share capital of the Company as at 31 December 2021
	Personal interests (held as beneficial owner)	Corporate interests (interests of controlled corporation)	Sub-total			
Mr. Lim Kui Teng	<u>21,380,000</u>	529,125,000	<u>550,505,000</u>	–	<u>550,505,000</u>	<u>53.11%</u>

- (ii) In the table of “Aggregate long positions in the Shares and Underlying Shares” under the section headed “SUBSTANTIAL SHAREHOLDERS’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES” on page 61 thereof:

Name of substantial Shareholder	Capacity/nature of interest	Number of Shares	Approximate percentage of interest in the issued share capital of the Company as at 31 December 2021
Ms. Yee Say Lee	Interest of spouse	<u>550,505,000</u>	<u>53.11%</u>

11. In the first paragraph on page 12 of the 2022 General Mandates:

“.....Together with 21,380,000 Shares (i.e. approximately 2.06% in the issued share capital of the Company) directly held, Mr. Lim was interested in an aggregate of 550,505,000 Shares (i.e. approximately 53.11% in the issued share capital of the Company); and (iii) Ms. Yee was the spouse of Mr. Lim and hence, was deemed to be interested in the Shares in which Mr. Lim was interested in under the SFO. In the event the Directors exercise in full the power to buy back the Shares under the Buy-back Mandate, then (if the present shareholdings remain the same) the attributable interests of Brewster Global, Mr. Lim and Ms. Yee will be respectively increased to approximately 56.72%, 59.02% and 59.02% in the issued share capital of the Company.....”

The Board confirms that the abovementioned amendments do not affect other information as contained in the Documents which shall remain unchanged.

Save as disclosed in the above, to the best of the Directors’ knowledge, information and belief having made reasonable enquiries, the Incident does not have a material impact to the Company, the Shares price, the Shareholders and the public as a whole.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By order of the Board
Chuan Holdings Limited
Phang Yew Kiat
Chairman and Non-executive Director

Hong Kong, 17 June 2022

As at the date of this announcement, the Board comprises Mr. Lim Kui Teng and Mr. Bijay Joseph as executive Directors; Mr. Phang Yew Kiat as non-executive Director; and Mr. Wee Hian Eng Cyrus, Mr. Wong Ka Bo Jimmy and Mr. Xu Fenglei as independent non-executive Directors.